



REPORT OF FINDINGS, November 2010

The State of Funding to Address Community Information Needs Among Community Foundations

This report was produced by FSG Social Impact Advisors with support from, and in collaboration with, the John S. and James L. Knight Foundation.

Introduction

The free flow of information is essential to communities in a democracy; it touches every aspect of community life, whether education, environment, safety or civic life. In the context of rapidly changing information sources, technologies and tools, individuals risk relying on sources that lack credibility and comprehensiveness, and communities risk marginalizing populations facing digital access barriers. In the past year, the John S. and James L. Knight Foundation, the Federal Communications Commission and numerous funders and community players have increasingly called upon the philanthropic sector to address information and media as a core need in communities. Through the Knight Community Information Challenge, community foundations, in particular, are playing a leadership role in meeting local information needs.

In this update to our report of May 2010, FSG and the John S. and James L. Knight Foundation have partnered to explore the field's current state of philanthropic funding in the area of information and media. In the spring of 2010, FSG distributed an online survey to 928 community and placed-based foundations, of which 135 responded (92 community foundations and 43 placed-based foundations)¹. In order to confirm and expand upon the findings from the spring fieldwide survey, a follow-up survey was administered to attendees at the Council on Foundations (COF) conference for community foundations in September 2010.

What follows are highlights from the survey administered at the Fall Council on Foundations conference. The paper survey was distributed to conference attendees²; 217 individuals responded, from 154 unique community foundations.³ This sample represents 22% of the field (estimated 700 community foundations) and 41% of community foundations registered for the conference (380 COF member foundations).

The survey's items asked foundations to provide information on their grantmaking and non-grantmaking activities related to community information needs, and sought to answer the following questions:

- *To what extent are community foundations providing funding to address community information needs?*
- *What are the funding trends in information and media among community foundations?*
- *What types of information needs are being addressed by community foundations?*
- *What barriers are preventing community foundations from addressing information needs in their communities?*
- *Beyond grantmaking, to what extent and how, are community foundations involved in addressing community information needs?*

¹ This survey is referred to in this document as the "spring fieldwide survey."

² Fall 2010 Council on Foundations Conference in Charlotte, NC

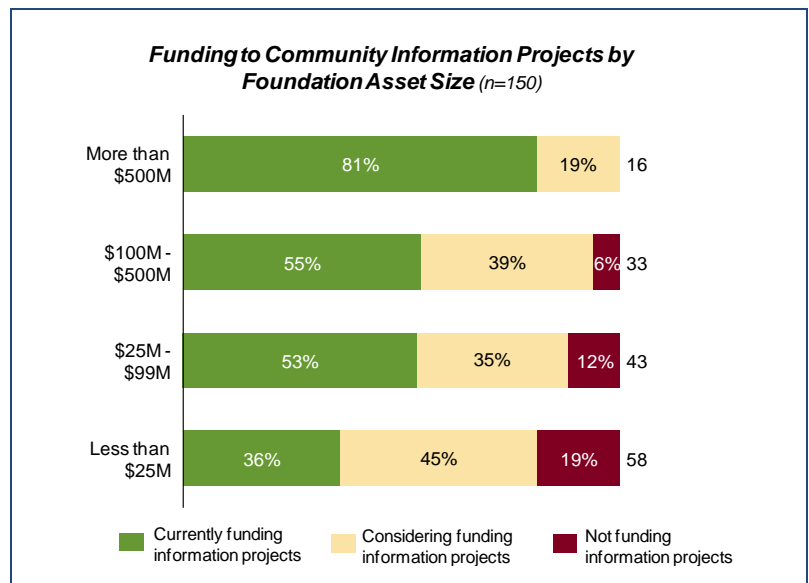
³ For those foundations with multiple responses, FSG prioritized responses from presidents or VP level staff to create a sample of unique responses per organization.

To What Extent Are Community Foundations Providing Funding to Address Community Information Needs?

A majority of responding foundations are funding (50%) or considering funding (38%) information projects. Half of the responding foundations that are considering funding information projects have done so to some extent in the past year.

Eighty-one percent of foundations with assets over \$500 million (n=13) are currently funding community information projects. It appears that larger foundations are more likely to be funding information projects than smaller foundations. Conversely, the percent of responding foundations not funding information projects seems to increase as asset size decreases.

Respondents were asked to report their foundation's total contribution to community information needs over the past year using ranges of dollar amounts. In each range, respondents reported the following contributions: ">\$1M" (3%, n=4); "\$500K-\$999K" (3%, n=4); "\$100K-\$499K" (19%, n=29); and "<\$100K" (46%, n=69). Total contributions in the past year from responding foundations are at least \$117K⁴ per respondent (n=106). This finding can be compared to the results from the spring fieldwide survey, for which the average individual community foundation contribution was at least \$78K⁵ (n=84).



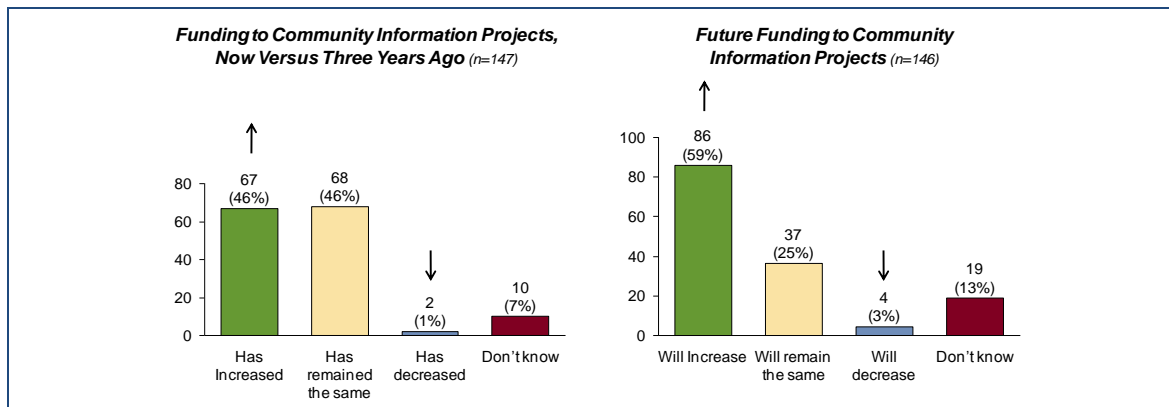
What Are the Funding Trends Among Community Foundations?

The fall survey of 154 community foundations (22% of the field) seems to confirm a trend towards increasing funding to address community information needs that we observed in the spring fieldwide survey.

- 46% (n=67) of responding foundations indicated that their funding to address community information needs as a proportion of their overall grantmaking budget had **increased over the last three years**.
- 59% (n=86) of the responding foundations expect their funding to address community information needs to **increase in the future**; 25% (n=37) expect their funding to remain the same.

⁴ Cumulative average of all responses taken using the low end of each range ("<\$100K", "100K-499K", "\$500K-999K", and ">\$1M"). We used the midpoint for the lower range (funding less than \$100K).

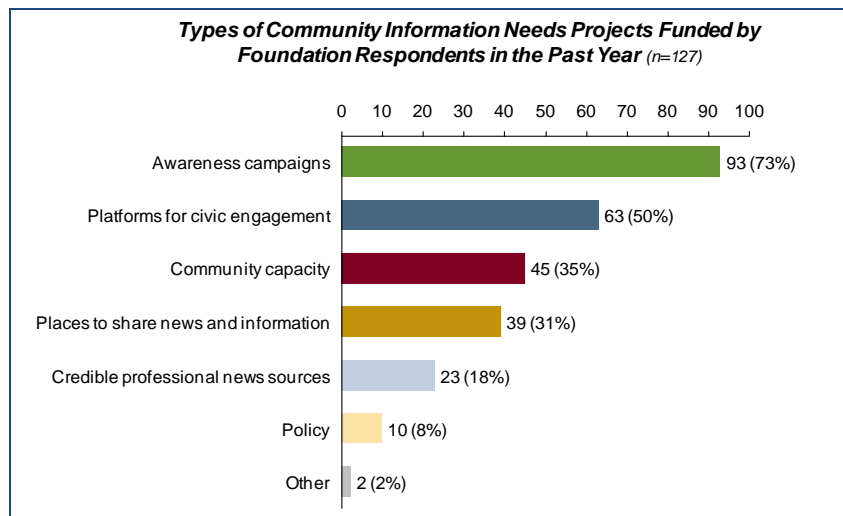
⁵ The fieldwide survey used the methodology (low end of each range) to derive an aggregate number and provide a snapshot of total contributions by responding foundations. Fieldwide survey respondents included placed-based private foundations as well as community foundations. Average contributions for community foundations were \$78K (n=84); private placed-based foundations were \$452.7K (n=37).



What Types of Information Projects Are Community Foundations Funding?

The following findings reflect the types of community information projects responding foundations funded in the past year.⁶

- **Awareness campaigns⁷** was the most frequently cited type of activity; 73% (n=93) of responding foundations have funded this type of project in the past year.
- **Platforms for civic engagement⁸** was identified as a funding area by 50% (n=63) of responding foundations.
- **Building community capacity⁹ to address information needs and use digital tools** was identified by 35% (n=45) of respondents
- **Places to share news and information¹⁰** was identified by 31% (n=39) of respondents.
- **Credible professional news sources¹¹** as a category was identified by 18% (n=23) of respondents as a focus of their grantmaking. Respondents were further asked to report their funding in this category over the past year. Thirty-one out of the 93 responding foundations (33%) reported having provided some funding to this area. Two responding foundations reported funding over \$1M, zero respondents reported funding between \$500K and \$999K, 15 reported funding between \$100K and \$499K, 3 reported funding between \$50K and \$99K, and 11 reported funding less than \$50K. The average individual responding community foundation (n=31) contribution was at least **\$127K¹²**.
- **Supporting information and media policy¹³** was identified as a funding focus by just 8% (n=10) of respondents.



⁶ Responses for "Other" were added to the appropriate categories, where possible. Indicators projects and non-profit directories were added under "Community capacity". "Other" currently includes capital and technological infrastructure funding

⁷ Creating awareness campaigns about community issues (e.g., raising awareness about reforming local education policy)

⁸ Providing platforms for civic engagement and action (e.g., online social networking sites targeted at engaging and retaining people)

⁹ Building community capacity to address information needs and use digital tools (e.g., digital and media literacy training for seniors)

¹⁰ Providing places where citizens can share news and information with their communities (e.g., blogs for citizen journalists, virtual town halls)

¹¹ Strengthening credible professional news sources (e.g., investigative reporting, hyper-local news)

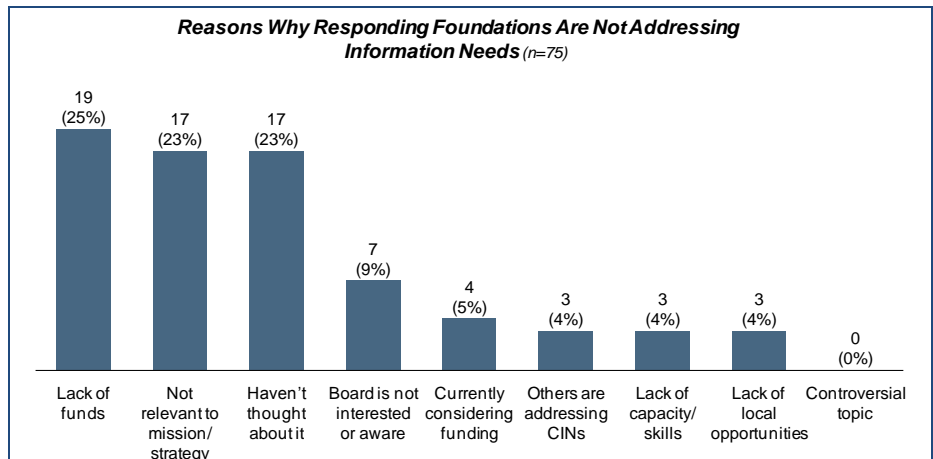
¹² Respondents were asked to identify their grantmaking using a range of dollar amounts. Cumulative dollar amounts were calculated using the low end of each range ("<\$50K", "\$50K-99K", "\$100K-499K", "\$500K-999K", and ">\$1M") and multiplying the minimum by the number of respondents. We used the midpoint for the lowest range (i.e., \$25K for "<\$50K").

¹³ Supporting information and media policy (e.g. supporting freedom of information, promoting government transparency)

What Barriers Are Preventing Community Foundations from Addressing Information Needs in Their Communities?

From the survey, we also hoped to gain a better understanding of the reasons preventing some foundations from addressing community information needs. The findings indicate that there are multiple reasons. Respondents were asked to select all options from a list of possible reasons that applied to their foundation.

- The three most frequently mentioned reasons for not addressing community information needs cited by responding foundations are **lack of funds** (25%, n=19), **lack of relevance** (23%, n=17), and **not having thought about addressing information needs until now** (23%, n=17).
- **Lack of interest or awareness among board members** was identified by 9% (n=7) of the responding foundations.
- **Lack of skills and/or capacity, lack of local opportunities** to fund information projects, and the perception that **others in the community may be addressing information needs** were each mentioned by 4% (n=3) of responding foundations.
- **No foundation identified community information needs as being too controversial** an issue as a reason preventing them from funding in this area.

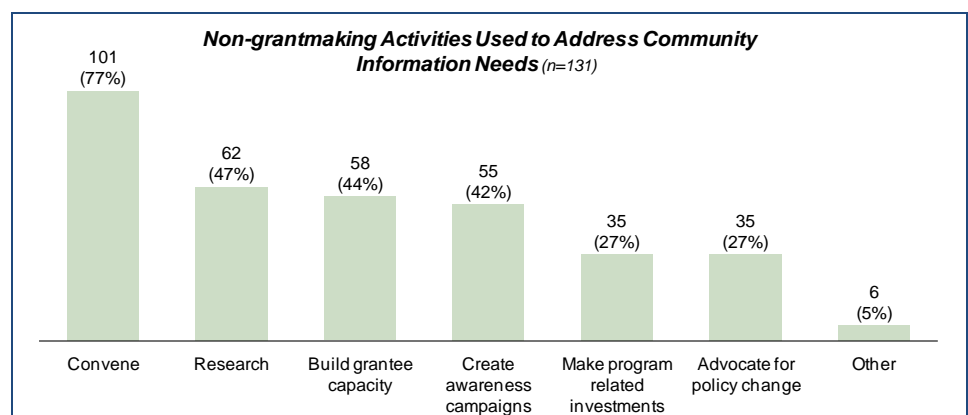


Beyond Grantmaking, to What Extent and How Are Community Foundations Involved in Addressing Community Information Needs?

While 71% of respondents (n=106) funded community information projects in the past year, 85% (n=131) have engaged in related non-grantmaking activities. This finding confirms what we observed in the spring fieldwide survey, indicating that perhaps some foundations may be more interested in or capable of addressing the information needs of their communities through non-grantmaking activities than through grant funding at this time.

Foundations were asked to identify the non-grantmaking activities they are involved in from a list of six activities.¹⁴

- **Convening** community stakeholders around the issue of local media and information was the most frequently mentioned non-grantmaking activity both in this survey (77%) and in the spring fieldwide survey (46%). **47% (n=62)** are



¹⁴ Respondents were asked to select all that applied. "Other" includes funding for capital and technological infrastructure projects.

contributing to **research** in information needs/gaps (versus 26% in the fieldwide survey¹⁵).

- 44% (n=58) are **building** the information and media **capacity** of their grantees (42% in the fieldwide survey).
- 42% (n=55) are creating **awareness campaigns** (27% in the fieldwide survey).
- 27% (n=35) are making **program-related investments** (10% in the fieldwide survey) and engaging in **advocacy** (7% in the fieldwide survey).

Conclusion

This survey provides additional baseline information about the state of funding to address information needs in the philanthropic sector today. It builds on the findings from the spring fieldwide survey, while also contributing to a better understanding of why foundations are not yet addressing their community's information needs. While further research is needed, foundations and policymakers interested in increasing the commitment of the philanthropic sector to community information needs may use these findings to inform their strategies and guide future studies. Continued attention over time to the commitment of the field and a commonly understood definition of what constitutes community information and media are needed to better understand the trends, motivations and impact of philanthropic investment in this area.

About

FSG Social Impact Advisors is an international nonprofit consulting and research firm dedicated to accelerating progress on social issues by providing evaluation and strategic consulting services to nonprofits and philanthropic funders. Our work combines the analytical rigor and data-driven approach of world-class evaluation and strategy firms with a deep understanding of the social sector. FSG's Strategic Learning and Evaluation Center supports our mission by designing and conducting relevant, credible, and useful evaluations, building evaluation capacity and advancing dialogue among foundations, nonprofit, government, and corporate organizations. <http://www.fsg-impact.org>

The John S. and James L. Knight Foundation advances journalism in the digital age and invests in the vitality of communities where the Knight brothers once owned newspapers. Knight Foundation focuses on projects that promote community engagement and lead to transformational change. In 2008, the Knight Foundation launched a campaign to increase the involvement of community and place-based foundations with a focus on three key activities:

- *Knight Media Learning Seminar* – An annual gathering of journalism and technology experts and foundation leaders that explores cutting-edge ideas in community information
- *Knight Community Information Challenge* – A five-year, \$24M contest that helps community and place-based foundations find creative ways to use new media and technology to keep residents informed and engaged. <http://informationneeds.org/>
- *Knight Commission on the Information Needs of Communities in a Democracy* – A convening of experts around the provocative idea of what will happen to U.S. democracy in the face of declining news and information resulting in the publication of the Commission's report, "Informing Communities: Sustaining Democracy in the Digital Age" in 2009. <http://report.knightcomm.org/>

¹⁵ Fieldwide survey percents for this question include responses from community foundations and place-based foundations.